

1 State of Arkansas

2 85th General Assembly

3 Regular Session, 2005

HJR 1021

4
5 By: Representative Stovall

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8 **HOUSE JOINT RESOLUTION**

9 PROPOSING AN AMENDMENT TO AMENDMENT 79 OF THE
10 ARKANSAS CONSTITUTION TO INCREASE THE ANNUAL
11 LIMITATION ON INCREASED ASSESSED VALUE OF
12 RESIDENTIAL PROPERTY FROM FIVE PERCENT (5%) TO
13 TEN PERCENT (10%) AND TO PROVIDE THAT THE
14 ASSESSED VALUE OF PROPERTY TRANSFERRED TO A NEW
15 OWNER IS EQUAL TO THE FULL MARKET VALUE OF THE
16 PARCEL ON THE DATE OF TRANSFER UNLESS THE
17 PROPERTY IS SUBJECT TO ARTICLE 16, SECTION 15 OR
18 THE TRANSFEREE IS SIXTY-FIVE (65) YEARS OF AGE OR
19 OLDER OR IS DISABLED.

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21 **Subtitle**

22 TO INCREASE THE ANNUAL LIMITATION ON
23 ASSESSED VALUE FROM 5% TO 10% AND TO
24 PROVIDE THAT THE ASSESSED VALUE OF
25 PROPERTY TRANSFERRED TO A NEW OWNER IS
26 EQUAL TO THE FULL MARKET VALUE OF THE
27 PARCEL ON THE DATE OF TRANSFER.

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30 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-FIFTH GENERAL
31 ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE SENATE, A MAJORITY OF ALL
32 MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

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34 That the following is proposed as an amendment to the Constitution of
35 the State of Arkansas, and upon being submitted to the electors of the state
36 for approval or rejection at the next general election for Representatives



1 and Senators, if a majority of the electors voting thereon at the election,
 2 adopt the amendment, the amendment shall become a part of the Constitution of
 3 the State of Arkansas, to wit:

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 5 SECTION 1. Section 1 of Amendment 79 to the Arkansas Constitution is
 6 amended to read as follows:

7 § 1. [Assessing value of real property].

8 (a) After each county-wide reappraisal, as defined by law, and the
 9 resulting assessed value of property for ad ~~valorum~~ valorem tax purposes and
 10 after each Tax Division appraisal and the resulting assessed value of utility
 11 and carrier real property for ad valorem tax purposes, the county assessor,
 12 or other official or officials designated by law, shall compare the assessed
 13 value of each parcel of real property reappraised or reassessed to the prior
 14 year's assessed value. If Except as provided in Section 5, if the assessed
 15 value of the parcel increased, then the assessed value of the parcel shall be
 16 adjusted pursuant to this section.

17 (b)(1) If the parcel is not a taxpayer's homestead used as the
 18 taxpayer's principal place of residence, then for the first assessment
 19 following reappraisal, any increase in the assessed value of the parcel shall
 20 be limited to not more than ten percent (10%) of the assessed value of the
 21 parcel for the previous year. In each year thereafter the assessed value
 22 shall increase by an additional ten percent (10%) of the assessed value of
 23 the parcel for the year prior to the first assessment that resulted from
 24 reappraisal but shall not exceed the assessed value determined by the
 25 reappraisal prior to adjustment under this subsection. For utility and
 26 carrier real property, any annual increase in the assessed value of the
 27 parcel shall be limited to not more than ten percent (10%) of the assessed
 28 value for the previous year.

29 (2) This subsection (b) does not apply to newly discovered real
 30 property, new construction, or to substantial improvements to real property.

31 (c)(1) Except as provided in subsection (d), if the parcel is a
 32 taxpayer's homestead used as the taxpayer's principal place of residence then
 33 for the first assessment following reappraisal, any increase in the assessed
 34 value of the parcel shall be limited to not more than ~~five percent (5%)~~ ten
 35 percent (10%) of the assessed value of the parcel for the previous year. In
 36 each year thereafter the assessed value shall increase by an additional ~~five~~

1 ~~percent (5%)~~ ten percent (10%) of the assessed value of the parcel for the
 2 year prior to the first assessment that resulted from reappraisal but shall
 3 not exceed the assessed value determined by the reappraisal prior to
 4 adjustment under this subsection.

5 (2) This subsection (c) does not apply to newly discovered real
 6 property, new construction, or to substantial improvements to real property.

7 (d)(1)(A) A homestead used as the taxpayer's principal place of
 8 residence purchased or constructed on or after January 1, 2001 by a disabled
 9 person or by a person sixty-five (65) years of age or older shall be assessed
 10 thereafter based on the lower of the assessed value as of the date of
 11 purchase or construction or a later assessed value.

12 (B) When a person becomes disabled or reaches sixty-five
 13 (65) years of age on or after January 1, 2001, that person's homestead used
 14 as the taxpayer's principal place of residence shall thereafter be assessed
 15 based on the lower of the assessed value on the person's sixty-fifth
 16 birthday, on the date the person becomes disabled or a later assessed value.

17 (C) If a person is disabled or is at least sixty-five (65)
 18 years of age and owns a homestead used as the taxpayer's principal place of
 19 residence on January 1, 2001, the homestead shall be assessed based on the
 20 lower of the assessed value on January 1, 2001 or a later assessed value.

21 (2) Residing in a nursing home shall not disqualify a person
 22 from the benefits of this subsection (d).

23 (3) In instances of joint ownership, if one of the owners
 24 qualifies under this subsection (d), all owners shall receive the benefits of
 25 this amendment.

26 (4) This subsection (d) does not apply to substantial
 27 improvements to real property.

28 (5) For real property that is subject to Section 2 of this
 29 Amendment in lieu of January 1, 2001, the applicable date for this
 30 subsection (d) shall be January 1 of the year following the completion of the
 31 adjustments to assessed value required by Section 2.

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 33 SECTION 2. Amendment 79 to the Arkansas Constitution is amended to add
 34 a new section read as follows:

35 § 5. Transfer of property.

36 (a) Except as provided in Section 15 of Article 16 of the Arkansas

1 Constitution, the assessed value of a parcel that is transferred to a new
2 owner after December 31, 2006, shall be equal to the full market value of the
3 parcel on the date of transfer, unless the transferee meets the requirements
4 of subsection (d) of Section 1 of Amendment 79 of the Arkansas Constitution.

5 (b) The limitation on the increase in assessed value of the
6 transferred parcel provided in Section 1 shall not apply to property
7 transferred after December 31, 2006.

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9 SECTION 3. The provisions of this amendment shall apply to parcels
10 that are assessed or transferred after December 31, 2006.

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12 SECTION 4. This amendment becomes effective on January 1, 2007.
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